



Fraud scams



This article was written by

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Fraudsters are turning their attention to businesses as the scams can reap much better rewards for them.

Two fraud scams that are worthy of note are:

Invoice scam

This is where a fraudster contacts an organisation to update a genuine suppliers payment details for that of the fraudster. Suppliers do change their contact and payment details so this request, either by email, letter or telephone may not raise suspicions. And if you use the contact details in the communication then the fraudster will verify the changes are correct. Therefore, you need to be on the look out for these and check with your existing contact at the supplier, in order to verify any changes. Monies paid to the fraudster may not be recovered.

Phone scam

Fraudsters are able to gather information about your business which is publicly available so that when they contact you by telephone they will be seen to be credible. The intention is so that you reveal financial information to them, or even convince you to transfer monies to another bank account as your existing one is at risk of fraud. The reason the trick works is because you are asked to hang up and call back on a number that you trust. However, as they never hang up, you stay connected and when you dial a number, you are still just talking to them. This connection can only last for two minutes so if you do believe that you have a genuine call, wait a while longer than this before making your return call to ensure that you get through to the right organisation.

New guide for Chairs

The Association of Chairs has launched new guidance aimed specifically at chairs of charities and not for profit organisations, to help and guide them in their leadership role.

The guide, *A Chair's Compass - A guide for Chairs of charities and Non-profit Organisations*, is no longer freely available.

You can obtain your copy if you join the association through their website <http://www.associationofchairs.org.uk/>; or purchase a paper copy.

The guide is focused on practical knowledge, support and advice for Chairs to perform their role effectively.





Charity Commission: new friend or foe?



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There has been a lot going on with the Charity Commission of late.

Firstly Paula Sussex, the new Chief Executive, was appointed earlier in the year and she is spearheading a new strategy and agenda for the Charity Commission bringing about a more proactive and a tougher regulator.

The Charity Commission has reviewed its strategy and has a new approach to promoting public trust and confidence in charities.

This new approach is about promoting compliance by charity trustees, more rigour in holding charities to account and upholding the definition of charity. The effect of this change can be seen in the way that the Charity Commission has worked in recent times – 64 statutory enquiries in 2013/14 compared with 15 the year before and a staggering 540 use of its powers in investigative work compared with 216. The number of operational cases seems on the up if you consider the number of reports produced by the Charity Commission of late. Therefore, this is definitely the new face to expect as their focus is much more on compliance and accountability.

In that regard, the Charity Commission has a new operations monitoring team – some 1,664 accounts have been reviewed, which is about 10% of these registered with the Charity Commission. These reviews have in part focused on charities certain attributes – like nearly 100 reviewed that had pension scheme deficits and similar number with net current liabilities – although there is definitely an increased general level of scrutiny.

This change of direction is also likely to continue following the announcement in October 2014 that the Treasury will invest £8m in technology and frontline services at the Charity Commission. The Charity Commission has explained that it wishes to direct these additional funds on streamlining routine services especially in lower risk areas, making better use of data and digitalising front end services. Its resources can be focused on identifying and tackling abuse and mismanagement in charities – this focus will be on targeted areas where it can make the greatest impact and through being more proactive. In particular, for 2015-16 the Treasury has announced an additional £1m to fund increased investigation, monitoring and enforcement by the Charity Commission – a very clear steer on the direction it is taking.

Some of this data collection is undertaken by the Charity Commission through the Annual Return.

This gives the Commission an easy way to collate and capture data and each year, as following consultation, a number of new questions are always added. 2015 is no different – there are three new questions added to the Annual Return. These are:

- In the reporting period, how much income did you receive from:
 - contracts from central or local government to deliver services?
 - grants from central or local government?
- Does your charity have a policy on paying its staff?
- Has your charity reviewed its financial controls during the reporting period?

